pennsylvania
INSURANCE DEPARTMENT

2017 Essential Health Benefits Benchmark Plan Recommendation

As part of the Affordable Care Act, individual and small group health insurance plans must cover a set of services known as essential health benefits. The specific benefits considered essential health benefits are defined by a benchmark plan selected from:

(1) one of the three largest small group plans; or
(2) one of the three largest state employee health plans; or
(3) one of the three largest federal employee health plans options; or
(4) the largest HMO plan offered in the state's commercial market.

In 2013, states had the chance to select their first benchmark plan, which set the benefits for health plans sold in 2014 through 2016. States that didn't select a plan in 2013, such as Pennsylvania, were assigned a default benchmark plan, which was the largest small group plan in the state.

This year, the federal government allowed states to select a new benchmark plan. The new benchmark plan will be used to set benefits for all individual and small group plans starting in 2017(other than the few plans still continuing from before the Affordable Care Act became law, called grandfathered plans).

The Pennsylvania Insurance Department collected written comments through June 12th, 2015 on selection of the benchmark plan. The Insurance Department received 35 comments from a variety of commenters including provider associations, advocacy groups, individuals, and insurers.

After reviewing the comments and analyzing the plan options, the Insurance Department recommended to the federal government that the largest small group plan in the state, from Independence Blue Cross/ Keystone Health Plan East (KHPE), be selected as the benchmark plan. A majority of commenters who recommended a specific plan recommended the KHPE plan, remarking that it had "the most comprehensive coverage," "clear, concise plan information for consumers," "the right mix of affordability, benefit value, and flexibility" and was "the closest alternative to the current benchmark plan."

Many of the comments included recommendations for certain benefits that should be offered by the benchmark plan. A number of commenters noted that the definition of habilitative services was recently changed at the federal level and requested that the selected benchmark plan be amended to use the new federal definition.

However, the benchmark selection process does not include amending the selected plan. Under federal regulations, the selected plan may only be supplemented if the plan is missing a category of essential health benefits. Because the KHPE plan covers all categories of essential health benefits, no supplementation is required or permitted. Regarding the definition of habilitative services, the

Insurance Department interprets the KHPE plan's definition as substantially similar to the federal definition.

A number of commenters also urged the Insurance Department to interpret federal regulations as prohibiting the KHPE plan's combined 30 visit limit for physical and occupational therapy, and therefore to interpret the visit limit as applying separately to PT and OT so that each therapy would have an individual 30 visit limit. However, that interpretation does not appear to be consistent with federal regulation. The Insurance Department notes that the benchmark plan only establishes minimum required benefits. Insurers may offer more generous benefits and the Insurance Department encourages insurers to consider commenters' concerns regarding the combined limit on physical and occupational therapy when designing their habilitative and rehabilitative coverage for future plan years.